United Nations S/2001/1209

Security Council

Distr.: General
14 December 2001
English
Original: French

Letter dated 14 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from Canada, submitted in accordance with paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman of the Counter-Terrorism Committee

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Annex

[Original: English]

Letter dated 14 December 2001 from the Permanent Representative of Canada to the United Nations to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

Further to your note of 18 October 2001, I have the honour to forward to you the Government of Canada's report to the Counter-Terrorism Committee on measures Canada has taken to implement the provisions of Security Council resolution 1373 (2001) (see enclosure).

(*Signed*) Paul **Heinbecker**
Ambassador
Permanent Representative

Enclosure

[Original: English]

Report of the Government of Canada to the Counter-Terrorism Committee of the United Nations Security Council on measures taken to implement resolution 1373 (2001)

Fighting terrorism is of the highest priority for the Government of Canada. Since the September 11 attacks, Canada has taken vigorous action to counter the terrorist threat and has been working closely with many members of the United Nations to ensure the safety of all our citizens, to cut off financial support and deny safe haven to terrorists, and to bring terrorists to justice.

Although Canada had substantial anti-terrorist measures already in place, it was recognized that further legislation was needed to deal more effectively with the global threat of terrorism. Consequently, the draft legislation described in this report was tabled in Parliament. A number of these legislative initiatives will receive significant funding from the Budget of the Canadian Government tabled in the House of Commons on 10 December 2001.

While the Government of Canada has initiated actions on a wide array of fronts in the fight against terrorism, the attached table contains a detailed description of those measures taken by Canada which relate to Security Council Resolution 1373 (2001). The passage of draft legislation now pending in Parliament will implement fully the provisions of the Resolution. Since the draft legislation is subject to Parliamentary approval and further measures may be taken in the fight against terrorism, a further report to the Counter-Terrorism Committee is anticipated.

Ottawa, Canada
12 December 2001

	IMPLEMENTATION OF UN SECURITY COUNCIL RESOLUTION 1373 (2001)
Resolution 1373 (2001)	**Measures taken by the Government of Canada**
1. *Decides* that all States shall:	
(a) Prevent and suppress the financing of terrorist acts;	On October 2, 2001, the Government of Canada implemented the *United Nations Suppression of Terrorism Regulations* (the "Regulations") and on October 15, the Government introduced legislation in Parliament entitled the *Antiterrorism Act*, referred to as Bill C-36. The Regulations and Bill C-36 deal with terrorist financing as set out in more detail below. The Regulations make it an offence for any person in Canada and any Canadian outside of Canada to knowingly provide or collect funds with the intention or knowledge that they be used by a listed person, or to deal in any property of a listed person, and prohibit the making available of funds and financial or other related services to a listed person. Bill C-36 contains amendments to the *Criminal Code* to create three new offences relating to terrorist financing. The new offences relate to providing or collecting property for terrorist activities (*International Convention on the Suppression of the Financing of Terrorism*); collecting property, providing, or making available property or financial or other related services for terrorist purposes; and using or possessing property for terrorist purposes. Among other measures, Bill C-36 amends the *Proceeds of Crime (Money Laundering) Act*, or PCMLA, to expand its scope to encompass terrorist financing. The amendments to the PCMLA require the reporting of transactions suspected of being linked to terrorist financing. They also expand the mandate of Canada's financial intelligence unit (FINTRAC) to include the analysis of these reports, the disclosure of key identifying information to law enforcement and intelligence agencies and the ability to share information related to terrorist financing with its international counterparts.
(b) Criminalize the wilful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts;	Paragraph 1(b) was implemented through Section 3 of the Regulations, which prohibits (under penalty of imprisonment for up to five years, and a fine of up to CAD $5,000) the provision or collection of funds with the intention or knowledge that the funds be used by a person designated as being associated with terrorist activity. Bill C-36 includes amendments that would increase the maximum term of imprisonment to ten years, and an unlimited fine. Further, Bill C-36 amends the Canadian *Criminal Code* to add a new section 83.02, which would prohibit the provision or collection of funds with the intention or knowledge that the funds will be used for terrorist activities. The maximum penalty for violation of this prohibition would be ten years' imprisonment and an unlimited fine.

(c) Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities;	Paragraph 1(c) was implemented through Section 4 of the Regulations, which freeze the assets of designated individuals and entities associated with terrorist activity. Section 7 requires financial institutions to report monthly on whether they have any such assets in their possession. Section 8 requires all persons in Canada and all Canadians outside Canada to report to law enforcement and intelligence authorities if they are in possession or control of any such assets. Names listed by the UN Security Council Committee concerning Afghanistan are automatically incorporated in the Regulations. In addition, Canada is pro-actively listing other individuals and entities under the Regulations, as the Government of Canada determines that they are associated with terrorist activities. As of November 16, 2001, CAD $344,000 in 28 accounts had been frozen by Canadian financial institutions as assets covered by Regulations implemented under the *United Nations Act*. Bill C-36 also provides for the immediate freezing of property that is owned or controlled by terrorist groups by adding a new section 83.08 to the *Criminal Code*, as well as new sections 83.1 and 83.11 which establish reporting requirements similar to the Regulations. Penalties will include a maximum term of imprisonment of ten years, and an unlimited fine. Other amendments will also allow for the restraint, seizure and forfeiture of property derived from the commission of a terrorist offence and property used to commit or intended to be used to commit a terrorist activity.
(d) Prohibit their nationals or any persons and entities within their territories from making any funds, financial assets or economic resources or financial or other related services available, directly or indirectly, for the benefit of the persons who commit or attempt to commit or facilitate or participate in the commission of terrorist acts, of entities owned or controlled, directly or indirectly, by such persons and of persons and entities acting on behalf of or at the direction of such persons;	Paragraph 1(d) was implemented through the Regulations, which in Section 4(b) prohibit making property or any services available for the benefit of designated individuals or entities associated with terrorist activity. The penalties under the Regulations are as set out in Paragraph 1(b). Bill C-36 would likewise add to the *Criminal Code* sections 83.03 and 83.04 which would prohibit making available property or services for terrorist activities, as well as using property for terrorist activities or possessing property that will be used for terrorist activities. The penalties under the Act are as set out in Paragraph 1(b). Bill C-36 also contains measures to prevent the use of registered charities to provide funds to support terrorist activities. Specifically, Part 6 of Bill C-36 provides an administrative mechanism to prevent the registration of an organization as a charity and to revoke the registration of a charity if there are reasonable grounds to believe that the organization makes or will make resources available directly or indirectly to an organization engaged in terrorist activities. The Bill also prohibits entering or facilitating any transaction or providing any financial or other related services in respect of that property.

2. *Decides also* that all States shall: (a) Refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts, including by suppressing recruitment of members of terrorist groups and eliminating the supply of weapons to terrorists;	Existing general provisions in Canada's criminal law dealing with criminal conspiracy and other inchoate offences apply to criminal activities related to terrorist acts. Bill C-36 now before Parliament contains an amendment to the *Criminal Code* that criminalizes the participation in the activity of a terrorist group or the facilitation of a terrorist activity. This provision specifically covers the situation of anyone recruiting a person in order to facilitate or commit a terrorist offence or recruiting a person to receive training so as to be able to contribute to a terrorist activity. These offences are punishable by up to ten years' imprisonment. Canadian legislation has established a system of strict control over the import, export and internal possession of firearms and military weapons and explosives. Other sensitive goods and technologies that could be used in the design, development and production of weapons of mass destruction are also subject to export control. Bill C-42, introduced in Parliament on 22 November, includes measures to give the Government of Canada the power to tighten internal controls on and regulate the export of civilian explosives. It will also give the Government the explicit power to control the export and transfer from Canada of technology and for the Minister of Foreign Affairs to consider international peace and stability as criteria.
(b) Take the necessary steps to prevent the commission of terrorist acts, including by provision of early warning to other States by exchange of information;	The legislation that establishes the mandates for the Royal Canadian Mounted Police (RCMP) and the Canadian Security Intelligence Service (CSIS) contains provisions which facilitate the timely exchange of information with other countries to prevent the commission of terrorist acts. Prevention and deterrence is and has always been a primary objective of the Royal Canadian Mounted Police. Any information that is generated which will enable the agency to prevent or deter such activity is provided to concerned countries in a timely manner. The CSIS has an early warning function. The primary responsibility of CSIS is to collect information, forewarn and advise the Government of Canada regarding activities that may constitute a threat to the security of Canada including terrorist threats. In addition, CSIS shares information and intelligence on terrorist threats with allied services. Whether of domestic or foreign origin, addressing the threat of terrorism is CSIS' highest priority. CSIS is continuing to develop new techniques and approaches within its counter-terrorism program to help ensure that Canada does not become a focus of terrorist activity. Since 1989, CSIS has substantially broadened the scope and enhanced the content of its international relations. CSIS has a large number of cooperative arrangements with other countries. It also maintains liaison officers in a number of countries to facilitate the exchange of information. Through its Foreign Liaison Program, CSIS works cooperatively with the appropriate intelligence services and other agencies to share information on terrorist threats.

2. (b) (Continued)	The proposed legislative amendments in Bill C-36 include new investigative tools which will make it easier to use electronic surveillance against terrorist organizations. Bill C-36 would also allow the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to share certain information with a foreign counterpart if there are reasonable grounds to suspect that the information would be relevant to the investigation or prosecution of a terrorist financing offence. Bill C-42 now before Parliament amends both the *Immigration Act* and the *Aeronautics Act* to require advance passenger information to be provided to the Government of Canada for certain limited purposes. Bill C-44, introduced in Parliament on 28 November 2001, amends the *Aeronautics Act* to permit airlines to share this information with other governments where required to do so by the laws of the foreign state.
(c) Deny safe haven to those who finance, plan, support, or commit terrorist acts, or provide safe havens;	Both the present Canadian *Immigration Act* and a new *Immigration and Refugee Protection Bill* which has been passed by Parliament and will come into force soon, contain provisions which prohibit the entry into Canada or provide for the removal from Canada of persons concerning whom there are reasonable grounds to believe have engaged, are engaged or will engage in acts of terrorism or are members of an organization involved in terrorism. Both the notions of membership and terrorism have been interpreted by the Canadian courts broadly and include all the activities described above. The Canadian Security Intelligence Service (CSIS), in cooperation with Canadian Immigration authorities, has ongoing mechanisms under the present *Immigration Act*, "to remove from Canada persons found inadmissible on national security grounds". Since 1992, this process has resulted in the deportation of 14 persons. Bill C-36 contains an amendment to the *Criminal Code* making it an offence to harbour or conceal anyone who has carried out a terrorist act or for the purpose of enabling a person to facilitate or carry out a terrorist activity. These offences are punishable by up to ten years' imprisonment. Amendments to the Criminal Code in Bill C-36 extend Canada's jurisdiction over terrorist financing offences such that anyone who has committed such an offence outside Canada and is present in Canada after the commission of a terrorist financing offence, could be prosecuted in Canada. Moreover, the Bill extends Canada's jurisdiction over terrorism offences committed outside Canada if the offences are committed by a Canadian citizen, a stateless person residing in Canada or a permanent resident present in Canada after the commission of the offence. The *Extradition Act* would also be available to extradite a person who has committed a terrorist offence in another country. Bill C-42 amends the *Immigration Act* to permit the Minister to approve the destination of a person leaving Canada under a departure order or an exclusion order, to ensure that fugitives from justice do not escape from jurisdictions seeking their return.

(d) Prevent those who finance, plan, facilitate or commit terrorist acts from using their respective territories for those purposes against other States or their citizens;	Bill C-36 defines terrorist activity so as include any act or omission that is committed with the intention of intimidating the public or compelling a person, government or international organization to do or refrain from doing anything, whether the person, government or organization is inside or outside Canada. Thus anyone financing, planning, facilitating or committing terrorist activities on Canadian territory with a view to acting against another state or its citizens would be committing an offence in Canada. In addition, the investigative mandate of CSIS permits the collection of information or intelligence about activities suspected of being directed towards or in support of terrorism.
(e) Ensure that any person who participates in the financing, planning, preparation or perpetration of terrorist acts or in supporting terrorist acts is brought to justice and ensure that, in addition to any other measures against them, such terrorist acts are established as serious criminal offences in domestic laws and regulations and that the punishment duly reflects the seriousness of such terrorist acts;	The penalties for terrorist offences are severe, and range from up to ten years' imprisonment to life imprisonment. Bill C-36 provides that in some circumstances penalties are to be served consecutively, and that an individual convicted of a terrorism offence may be ordered to serve a minimum of half the sentence before being eligible for parole. See also the responses to 1 (a) to (d).
(f) Afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of terrorist acts, including assistance in obtaining evidence in their possession necessary for the proceedings;	The *Mutual Legal Assistance in Criminal Matters Act* serves as the primary vehicle for affording countries assistance in investigating or prosecuting offences, including terrorist financing offences. While assistance is usually provided pursuant to a bilateral treaty, it is possible to provide assistance without the existence of a treaty. Canada has a network of 27 bilateral Mutual Legal Assistance Treaties (MLAT)(see response to 3 (c) below). Canada has some 20 ongoing terrorism-related cases of formal MLAT requests for evidence-gathering assistance and has five such extradition-related arrests, one case prior to and four post September 11.

(g) Prevent the movement of terrorists or terrorist groups by effective border controls and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents;	Canada participates in a number of international fora established for the purpose of exchanging information on illegal migration trends and travel document abuse, for example, the Immigration Fraud Conference, the Pacific Rim Conference and the G8 Summit Experts Group on Transnational Organized Crime. Since 1997, there has been an information sharing arrangement between the US and Canada with respect to suspected terrorists. The *Immigration Act* provides authority for the seizure of travel or other identity documents discovered during normal border inspection; persons importing or exporting such documents can be prosecuted. The Canadian Security Intelligence Service (CSIS) provides inputs to the Enforcement Information Index, an automated system administered by Citizenship and Immigration Canada that acts to alert Immigration and Customs officers at ports of entry of the threats to national security posed by suspected and known terrorists seeking admission to Canada. CSIS information enables Canadian immigration officials to refuse applications from individuals suspected of involvement in terrorist activity, effectively barring their entry into Canada. Increased efforts have been placed at ports of entry to identify and intercept suspected terrorists attempting to enter Canada. On October 12, 2001 the Minister of Citizenship and Immigration introduced new measures specifically aimed at further combatting terrorism, these measures include the introduction of a more secure identity card for new immigrants by June 2002; increased detention and deportation capacity; and hiring up to 100 new staff to enforce upgraded security at ports of entry. Bill C-42 now before Parliament amends both the *Immigration Act* and the *Aeronautics Act* to require advance passenger information to be provided to the Government of Canada in order to identify and prevent the fraudulent use of identity papers and travel documents. Bill C-44 amends the *Aeronautics Act* to permit airlines to share this information with other governments where required to do so by the laws of the foreign state. It is the intention of the Royal Canadian Mounted Police (RCMP) to establish Integrated Border Enforcement Teams comprised of RCMP and other federal and municipal partners. It is planned to establish four teams initially and add another six if funding becomes available. With respect to passports, applications must satisfy the prescriptions of the Passport Order. Documentary Evidence of Citizenship (DEC) must be provided. Issuers of such documents (provinces and territories as well as Citizenship and Immigration Canada) are fully engaged in the improvement of the security of their documents and issuance processes. Greater emphasis on the examination of such documents has and will continue to be exercised by examiners. Automated verification against provincial records is currently being pursued by the Passport Office.

2. (g) (Continued)	In addition to DECs being satisfactory, the identity of the applicant must be established. It is currently being verified by a guarantor, who countersigns the passport application form as well as the photo provided by the applicant. The Passport Office has increased significantly the number of guarantor checks since Sept. 11th. Moreover, additional information relative to employment and residency will shortly be asked from applicants. This will provide further means to verify the identity of applicants. Our electronic system provides in real time the photo of the applicant who applies for a renewal. Currently, the image base comprises over a million photographs. Very soon, all passport applications will be processed by this system. Impersonators of a passport holder can be intercepted as their photo will not match the photo of the legitimate holder of a passport already processed by the system. Finally, the names of persons or applicants whose entitlement to a Canadian passport may be, for a variety of reasons, subject to review (which includes the possibility of refusal) are entered on an electronic "lookout" system and passports are not issued to such persons or applicants until and unless a clearance has been given by the Security and Entitlement Review Section of the Passport Office. The integrity of the Canadian passport arises from a variety of security features that have, to our knowledge, been fully effective in preventing counterfeiting of the document. However, no design remains foolproof forever. To counter threats posed by alteration, photo substitution, misuse, and counterfeiting of observation labels, the Passport Office has developed a new passport which will be introduced within a year. This passport contains new state of the art forensic attributes which inspection authorities will be able to authenticate more effectively. Once this new design has been introduced, the Passport Office will provide training aids designed to assist inspection authorities to determine that they are dealing with an example of the more robust digital design.

3. Calls upon all States to: (a) Find ways of intensifying and accelerating the exchange of operational information, especially regarding actions or movements of terrorist persons or networks; forged or falsified travel documents; traffic in arms, explosives or sensitive materials; use of communications technologies by terrorist groups; and the threat posed by the possession of weapons of mass destruction by terrorist groups;	Canada coordinates its national policies to prevent and pre-empt terrorist activities. Work is ongoing with all partners, domestically and internationally, to improve information sharing and investigative methods to deal with new and emerging threats, including the threat posed by weapons of mass destruction. The Royal Canadian Mounted Police (RCMP) intends to build in an international component within the Integrated National Security Enforcement Teams. Participation by international agencies can be on a case-by-case basis or a permanent arrangement if this is deemed necessary. Essentially this is the current practice of the RCMP; however, as Canada seeks more integration from a law enforcement perspective, this process will become formalized. This, in addition to existing arrangements, will accelerate the exchange of operational information. As noted in 2(b), the Canadian Security Intelligence Service (CSIS) has been engaged in an intense effort to enhance the international exchange of intelligence on terrorism through a network of liaison officers and country-to-country agreements. The Passport Office, upon receipt of intelligence or information on intercepted forged or falsified travel documents, investigates these reported cases with the support of the RCMP and immigration intelligence. Criminal procedures can be instituted, but administrative procedures have also been instituted, which may result in the withholding of passport services for individuals, as well as the revocation of a passport if one was issued in the past. The Canadian Passport Order prescribes that the Passport Office may revoke a passport that has been used in committing an offence. Bill C-36 will also put in place the necessary legislation to allow Canada to implement the *International Convention on the Suppression of Terrorist Bombing*. Bill C-42 amends both the *Immigration Act* and the *Aeronautics Act* to require advance passenger information to be provided to the Government of Canada in order to identify and prevent the fraudulent use of identity papers and travel documents. Bill C-44 amends the *Aeronautics Act* to permit airlines to share this information with other governments where required to do so by the laws of the foreign state.
(b) Exchange information in accordance with international and domestic law and cooperate on administrative and judicial matters to prevent the commission of terrorist acts;	The basis for Canada's activity in this field is a network of Mutual Legal Assistance Treaties and related cooperative arrangements. The responses in 2 (b), (f) and (g) and 3 (a) above as well as 3 (c) below provide information relevant to this provision.

(c) Cooperate, particularly through bilateral and multilateral arrangements and agreements, to prevent and suppress terrorist attacks and take action against perpetrators of such attacks;	Canada has a network of 27 bilateral Mutual Legal Assistance Treaties which cover legal cooperation on terrorism-related offences, as well as 51 bilateral extradition treaties. In addition, Canada is party to a number of multilateral conventions addressing legal cooperation against crime and terrorism, and extradition for such offences. Canadian police authorities, acting primarily through the RCMP, have numerous bilateral arrangements relating to cooperation in the investigation of criminal matters, as well as multilateral arrangements, notably through INTERPOL. These tools for cooperation are regularly used to assist foreign authorities and investigate terrorist offences and threats.
(d) Become parties as soon as possible to relevant international conventions and protocols relating to terrorism, including the International Convention for Suppression of the Financing of Terrorism of 9 December 1999;	Canada is a party to 10 of the 12 UN counter-terrorism conventions. The provisions of Bill C-36 will allow Canada to fulfil all obligations contained in the two remaining UN counter-terrorism conventions, the Convention against Terrorist Bombing and the Convention for the Suppression of the Financing of Terrorism, to which Canada is already a signatory. Should Parliament pass Bill C-36, Canada would expect to ratify these two remaining conventions promptly.
(e) Increase cooperation and fully implement the relevant international conventions and protocols relating to terrorism and Security Council resolutions 1269 (1999) and 1368 (2001);	Canada will continue to widen its cooperation with other states in combatting terrorism. Canada fully implements its obligations under the terrorism conventions that it has ratified through provisions in its criminal law, its extradition legislation, and its legislation related to mutual legal assistance, and will ratify the remaining two when the legislative capacity to implement (presently contained in Bill C-36) is in place. Regulations under the United Nations Act fully implement the domestic legal aspects of Security Council resolutions 1269 and 1368.
(f) Take appropriate measures in conformity with the relevant provisions of national and international law, including international standards of human rights, before granting refugee status, for the purpose of ensuring that the asylum-seeker has not planned, facilitated or participated in the commission of terrorist acts;	Canada has implemented the 1951 *Convention and Protocol relating to the Status of Refugees* through its *Immigration Act*. This *Convention* excludes persons from obtaining refugee status if they have been involved in serious non-political crimes or acts against the purpose and principles of the United Nations; terrorism falls within the parameters of both exclusion clauses which are applied in Canada regularly (this was decided in 1998 by the Supreme Court of Canada in the Pushpanathan case). In addition to using the exclusion clauses, Canada also makes use of a provision in the *Immigration Act* which makes refugee claimants ineligible to access the refugee determination process if they have been found involved in terrorism by an immigration adjudicator or even to revisit an eligibility decision after an immigrant has been allowed such access (if Bill C-42 now before Parliament becomes law). This provision was applied in the case of Tejinder Pal Singh, a member and supporter of Dal Khalsa, a Sikh political group which aims to establish a separate and independent Khalistan in India through violent means, who with four others committed a terrorist act by hijacking an Indian airplane; he was removed from Canada in December 1997. A process for enhanced front-end screening of refugee claimants for security and criminality concerns was already underway before the September 11 terrorist attacks in the United States. Since the attacks, and the passage of Security Council resolution 1373, the Government of Canada announced on October 12, 2001 strengthened immigration measures to counter terrorism.

(g) Ensure, in conformity with international law, that refugee status is not abused by the perpetrators, organizers or facilitators of terrorist acts, and that claims of political motivation are not recognized as grounds for refusing requests for extradition of alleged terrorists;	Canada has implemented article 33(2) of the 1951 *Convention and Protocol relating to the Status of Refugees* which allows the removal of persons who have obtained refugee status and who subsequently engage in very serious criminality; if they constitute a danger to the security of the country of refuge they can be removed to their country of origin even if they fear persecution there. In Canada persons who have been involved in terrorism or are members of a terrorist organization are subject to this provision if the Minister of Citizenship and Immigration is of the view that they pose a danger to the security of Canada. This provision was used in the case of Iqbal Singh who was involved in fundraising, recruiting and organizing for the Babbar Khalsa International, an organization dedicated to terrorism and subversion against the Indian government. If another country has requested the extradition of a suspected terrorist who has claimed refugee status, the refugee process is adjourned until the extradition process has been completed; if the refugee claimant is ordered extradited, this order is also deemed to be a serious non-political crime for refugee purposes and the person is excluded.
4. *Notes* with concern the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms-trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials, and in this regard *emphasizes* the need to enhance coordination of efforts on national, subregional, regional and international levels in order to strengthen a global response to this serious challenge and threat to international security;	Canada is committed to strengthening cooperation with its partners in various fora in the global campaign against terrorism. A member of a number of international and regional organizations such as the G8, the G20, the United Nations, the Organization for Security and Cooperation in Europe (OSCE), the Organization of American States (OAS), la Francophonie, and the Commonwealth to name but a few, Canada is well placed to foster closer coordination and cooperation in the examination of links between international terrorism and money laundering, financing, illicit traffic of drugs and small arms, transnational organized crime and the illegal movement of chemical, biological, radiological and nuclear materials. Bilaterally, Canada works closely with the United States on the whole range of issues related to international terrorism. Provided below are some recent concrete examples of initiatives in which Canada is playing an active role which transcend the bilateral Canada-US relationship. **MONEY LAUNDERING AND FINANCING** National: The core elements of Canada's anti-money laundering regime are set out in the *Proceeds of Crime (Money Laundering) Act* (PCMLA). Among other things, the PCMLA includes customer identification and record-keeping requirements. It also requires financial institutions, casinos, currency exchange businesses, as well as other entities and individuals acting as financial intermediaries (such as lawyers and accountants) to report transactions relevant to the identification of money laundering. The Act also established the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in July 2000. FINTRAC's primary functions are to receive reports made under the Act, to analyse those reports for information relevant to money laundering, and to provide key identifying information to Canadian law enforcement, intelligence, and other authorities

4. (Continued)	The amendments contained in Bill C-36 broaden the scope of the PCMLA, including the mandate of FINTRAC, to address both money laundering and terrorist financing offences. These changes include: • Individuals and entities that are required to report suspicions of money laundering would also be required to report suspicions of terrorist-financing activity to FINTRAC; • FINTRAC's role would be broadened to include the analysis of these reports and the disclosure of key identifying information to law enforcement and intelligence authorities; and • FINTRAC would also share information about terrorist-financing activities with its international counterparts, subject to safeguards with respect to its treatment and disclosure. The RCMP has the primary investigative responsibility for the seizure and forfeiture of assets through the Integrated Proceeds of Crime Program. This is an established multi-disciplinary and multi-agency integrated program of government, designed to track criminal assets. The program will have an expanded mandate with a focus on terrorist financing. With links to FINTRAC and national and international partners, intelligence and enforcement links are firmly in place. <u>International</u>: Canada is one of 31 members of the Financial Action Task Force (FATF) and participates actively in the ongoing review to update FATF's 40 Recommendations on Money Laundering. The FATF, which conducts mutual reviews of member states' anti-money laundering efforts, recently expanded its mandate to include terrorist financing. FATF has issued 8 special recommendations which commits its members to take action against terrorist financing. The G8 has agreed to coordinate G8 diplomatic, legal, law enforcement and security and intelligence services' efforts to address the issue of terrorist financing and to increase and coordinate G8 outreach to third countries in all counter-terrorism related activities, including in the suppression of financing of terrorism.

4. (Continued)	**CHEMICAL, BIOLOGICAL, RADIOLOGICAL AND NUCLEAR THREATS (CBRN)** National: The Government of Canada, in consultation with provincial jurisdictions, has launched an interdepartmental process to strengthen our coordinated response to CBRN-related terrorist incidents. We have similarly established a coherent approach to prevention of CBRN terrorism. This approach includes a focus on illicit trafficking of CBRN agents in an effort to strengthen our capacity to deter, detect, and interdict in such cases. The strategy also includes strengthening CBRN import/export/border controls, improving security around sensitive facilities and outreach to the private sector in order to promote awareness of threats. Bill C-42 now before Parliament creates the *Biological and Toxin Weapons Convention Implementation Act* to supplement Canada's existing legislation to prevent the development and spread of biological weapons. Subregional: Canada, USA and Mexico are discussing common approaches to the threat of CBRN terrorism. Part of this approach will involve improvements to the capacity of border authorities to identify and interdict in cases of illicit movement of CBRN agents/materials. Regional: In the Organization of American States (OAS), Organization for Security and Cooperation in Europe (OSCE), ASEAN Regional Forum (ARF), Francophonie and Commonwealth, Canada is working to ensure that illicit trafficking of CBRN agents is identified as a risk and that efforts are made to collectively address the risk. International: Canada is committed to strengthening the international treaties and conventions whose aim is combatting CBRN terrorism or the non-proliferation of CBRN agents. We also support efforts to strengthen the organisations (IAEA, Organization for the Prohibition of Chemical Weapons) that implement these instruments. Canada intends to ratify the *Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency.* Canada also supports international efforts to strengthen CBRN import/export/border controls, improve security around sensitive facilities along with the destruction of excess CBRN agents and weapons. Within the G8, Canada is committed to combat terrorism-related activities in the field of CBRN, in consultation with the Non-Proliferation Experts Group, starting with an assessment of the threat and the definition of best practices.

4. (Continued)	**INTERNATIONAL CRIME** International: Canada is a longstanding member of the UN Crime Commission and has been at the forefront of work on crime and terrorism in the G8, where experts meet on terrorism and on trans-national organized crime. The mandates of the G8 Experts Group on Transnational Organized Crime (Lyon Group) and the Counter-Terrorism Experts Group (CTEG) are designed to provide member Governments with advice on public policy, information and expertise sharing, as well as in some cases operational cooperation. The work of the G8 on terrorism has been focussed on UN priorities set out in the 1996 General Assembly Declaration on Measures to Eliminate Terrorism. The work on transnational organized crime has focussed on judicial cooperation, migration, high-tech, and law enforcement cooperation. Canada will continue this work during our forthcoming Presidency of the G8 in 2002 where the two groups are expected to combine their efforts on developing measures to stop the flow of funds to terrorists, improve aviation security, and the control of arms exports. **DRUGS** International: The G8 have agreed to map current known links between drug trafficking and terrorists; to identify possible linkages for further investigation and to produce a template of key indicators of drug trafficking likely to be contributing to terrorism; to support the United Nations Drug Control Programme (UNDCP) major donors' efforts to coordinate counter-narcotics assistance to combat the drug trade emanating from Afghanistan and to work together to maximise the effectiveness of UNDCP programmes in the region; to coordinate G8 demarches to countries, with the aim of raising awareness of the relation between drug trafficking and the financing of terrorism. In the fight against drugs, Canada is a major donor to the UNDCP efforts to coordinate counter-narcotics assistance to combat the drug trade and is a member of the Dublin Group on drug-trafficking. Regional: Canada is a member of the OAS and is an active contributor to the work of the OAS Committee on Terrorism (CICTE) and to its crime and drug program (CICAD). In addition we have important bilateral arrangements with the USA in the fight against crime and terrorism, including a Bilateral Consultative Group on Terrorism, a Ministerial level Cross Border Crime Forum and inter-agency task forces. We meet regularly with other partners in the Hemisphere and have regular dialogue on drug and crime issues with Mexico. **ILLICIT TRAFFICKING IN FIREARMS** International: The G8 has pledged to intensify ongoing efforts to prevent and combat illicit trafficking in firearms, ammunition and explosives used in terrorist activities through strict enforcement of export control procedures and enhanced exchange of information on the sources, routes and methods used by traffickers.